

## **GASB PENSION ACCOUNTING AND REPORTING UPDATE**

The Government Accounting and Standards Board (GASB) approved Statement 68 which will replace the disclosure requirements for participating employers of pension plans like TFFR and PERS. This new statement is effective for fiscal years beginning on or after June 15, 2014.

Statement 68 requires employers/school districts to report a proportionate share of the retirement plan's net pension liability and pension expense on the employer's financial statements. In many cases this amount will be material. Also the employer's Note Disclosures and Required Supplemental Information portion of the financial statements has been greatly expanded to include much more information about the pension plan.

TFFR and PERS have been working on an implementation and training plan with the State Auditor's Office, plan actuary, and plan auditors. A working group meeting was held in June and included representatives from schools, cities, counties, and the State.

***TFFR and PERS have scheduled a training opportunity for ALL employers and their auditors the morning of Thursday, December 11, 2014, in Bismarck. Please mark your calendars for this very important training and watch for additional information.***

## **EMPLOYING RETIREES IN CRITICAL SHORTAGE AREAS**

In addition to the "General Rule," retired teachers may also return to TFFR covered employment in an approved "Critical Shortage Area" (CSA) without losing retirement benefits. If retired prior to January 1, 2001, no waiting period is required. However, if the retirement date is after January 1, 2001, a one year waiting period is required. Only non-contracted

substitute teaching may be performed during the waiting period. The CSA exception must be requested each year by completing a [Retired Member Employment Notification form](#).

The critical shortage areas are determined each year by the Education Standards and Practices Board (ESPB). For the 2014-15 school year, **all** subject areas are deemed critical. **This is a change from prior years.**

## **NEW EMPLOYER GUIDE**

The updated [TFFR Employer Guide](#) is now available on our website. The Employer Guide is a valuable resource for any questions regarding TFFR reporting.

## **PENSION NOTE REQUIREMENTS (GASB #25)**

TFFR receives requests at the end of each fiscal year from various accounting firms requiring the dollar amount of contributions reported and paid by a school district. The information is located on the fiscal year-end Employer Summary Report provided to school districts each August. On the final page of the summary report (employer totals section), the dollar amount of the TFFR contributions reported and paid are documented.

Since this documentation is provided to the school district on a fiscal year basis, the requests will be referred to the individual school district(s).

The 2013-14 Employer Summary Report and the current GASB #25 Disclosure Statement were recently sent to all TFFR employers.

**Please review the Employer Summary Report to make sure that the correct salary was reported for each teacher. Notify TFFR if a discrepancy is found and we will work with you to correct the reporting error.**

## NEW MEMBER REPORTING REQUIREMENTS

A [Member Action form](#) must be completed when a participating employer hires a new teacher or administrator. The form is also required if you rehire a teacher after a break in employment with your school district of one year or more. This form provides TFFR with important information including the member's legal name, social security number, birth date, current mailing address, and beneficiary information. Designating a beneficiary(ies) allows the member to direct payment of survivor benefits in the event of the member's death.

This form should also be used to notify TFFR of the following:

- A change in name or address
- An update to the beneficiary designation
- Taking or returning from a leave of absence

If we don't receive the Member Action form within thirty days from the date the member is first reported to TFFR, the employer may be assessed a \$250 penalty for late reporting.

## LATE REPORTING PENALTY INFORMATION

The monthly report and payment of member and employer contributions must be mailed to TFFR by the 15<sup>th</sup> of each month following the month in which the member's salary was earned. If the 15<sup>th</sup> falls on a weekend or holiday, the report and payment are due the next business day.

State law requires TFFR to take action if an employer fails to remit the monthly report and payment by the due date. Employers that fail to remit the monthly report and/or payment by the due date, will be assessed a penalty of \$250 plus interest of one percent per month for each month the report or payment is late.

A written request from the administrator for a waiver of the \$250 penalty may be approved under limited circumstances, but the interest must be paid. TFFR may also notify the Department of Public Instruction to withhold state foundation payments until reports, payments, penalties, and interest are paid.

## TFFR FORMS

- Please submit a [Notification of School District Change form](#) if there are any changes in contact or demographic information (Examples: new superintendent or business manager; new mailing address, email, or telephone numbers)
- If you are employing a new teacher or have teachers with a change in their name or mailing address, TFFR will need a new [Member Action form](#).
- If you employ a TFFR retiree, please complete the [TFFR Retired Member Employment Notification form](#). This form must be completed each year a retiree is employed and submitted to TFFR no later than 30 days after employment begins.
- Please visit our website for other forms you may need:  
[www.nd.gov/rio/TFFR/Forms/default.htm](http://www.nd.gov/rio/TFFR/Forms/default.htm).

## REPORT CARD HIGHLIGHTS

The July 2014 edition of the [Report Card Newsletter](#) was recently published and can be viewed on our website. The newsletter contains the following highlights:

- **TFFR Legislation for Interim Study**  
Bill draft #140 contains administrative changes only.
- **Benefit Counseling Sessions**  
Please help us market this program by encouraging your teachers to attend a benefits counseling session to discuss TFFR benefits and other retirement concerns.
- **How to Read Your Benefit Statement**  
TFFR members receive an annual statement each August. The statement contains the salary and service credit reported by the employer for the prior school year.